

PRESIDENT'S MESSAGE.

Fellow citizens of the Senate and House of Representatives:

Being suddenly called in the midst of the last session of Congress by a painful dispensation of Divine Providence, to the responsible station I now hold, I contented myself with such communication to the Legislature as the exigency of the moment seemed to require.

The country was shrouded in mourning for the loss of this venerated Chief Magistrate, and all hearts were penetrated with grief; neither the time or occasion appeared to require or justify on my part, any general expression of political opinions or any announcement of the principles which would govern me in the discharge of the duties to the performance of which, I had been so unexpectedly called. I trust, therefore, that it may not be deemed inappropriate if I avail myself of this opportunity of the re-assembling of Congress, to make known my sentiments in a general manner in regard to the policy which ought to be pursued by the government in its intercourse with foreign nations, and its management and administration of internal affairs. Nations, like individuals in a state of nature, are equal and independent, possessing certain rights and owing certain duties to each other arising from their necessary and unavoidable relations, which rights and duties there is no common human authority to protect and enforce; still there are rights and duties binding in morals, in conscience and in honor, although there is no tribunal to which an injured party can appeal, but the disinterested judgment of mankind, and ultimately the arbitrament of the sword. Among the acknowledged rights of nations, is that which each possesses of establishing that form of government which may be most conducive to the happiness and prosperity of its citizens, changing that form as circumstances may require, and of managing its internal affairs according to its will. The people of the United States claim this right for themselves and they readily concede it to others; hence it becomes an imperative duty not to interfere in the government or internal policy of other nations, and although we may sympathize with the unfortunate or oppressed everywhere in their struggles for freedom, our principles forbid us from taking any part in such foreign contests; but we make no wars to promote or prevent successions to thrones—to maintain any theory of a balance of power, or to suppress the actual government which any country chooses to establish for itself. We instigate no revolutions, nor suffer any hostile military expeditions to be fitted out in the United States to invade the territory or provinces of a friendly nation. The great laws of morality ought to have a national as well as a personal and individual application; we should act towards other nations as we wish them to act towards us, and justice and conscience should form the rule of conduct between governments, instead of mere power, self-interest, or the desire of aggrandizement. To maintain a strict neutrality in foreign wars, to cultivate friendly relations, to reciprocate every noble and generous act, and to perform punctually and scrupulously every treaty obligation—these are the duties which we owe to other States, and by the performance of which we best entitle ourselves to like treatment from them, or if in any case be refused, we can enforce our own rights with justice, and a clear conscience. In our domestic policy, the constitution will be my guide, and in question of doubt I shall look for its interpretation to the judicial decisions of the tribunal which was established to expound it, and to the usage of the government sanctioned by the acquiescence of the country; I regard all its provisions equally binding in all its parts; it is the will of the people expressed in the most solemn form, and the constituted authorities are but agents to carry that will into effect—every power which it has granted is to be exercised for the public good; but no honest conviction, even of what might be expedient can justify the assumption of any power not granted. The powers conferred upon the government and their distribution to the several departments are as clearly expressed in that instrument as the imperfection of human language will allow, and I deem it my first duty not to question its wisdom, add to its provisions, evade its requirements, or nullify its commands. Upon you, my fellow-citizens, as the representatives of the States and of the people, is wisely devolved the legislative power. I shall comply with my duty in laying before you from time to time any information calculated to enable you to discharge your high and responsible trust for the benefit of our common constituents.

My opinions will be frankly expressed upon the leading subjects of legislation; and if, what I do not anticipate, any act should pass the two Houses of Congress, which shall appear to me unconstitutional or an encroachment upon the just powers of other departments, or with provisions hastily adopted, and likely to induce consequences injurious and unforeseen, I should not shrink from the duty of returning it to you, with my reasons for your further consideration. Beyond the duty of performance of those constitutional obligations, both my respect for the legislature and my sense of propriety will restrain me from any attempt to control or influence your proceedings; with you, is the power, the honor, and the responsibility of the legislation of the country. The government of the United

States is a limited government; it is confined to the exercise of powers expressly granted and such others as may be necessary for carrying those powers into effect, and it is at all times an especial duty to guard against any infringement of the just rights of the States. Over the objects and subjects which belong to Congress, its legislative authority is supreme, but here that authority ceases, and every citizen who truly loves the constitution and desires the continuance of its existence and its blessings will resolutely and firmly resist any interference in those domestic affairs which the constitution has clearly and unequivocally left to the exclusive authority of the States, and every such citizen will also deprecate useless irritation among the several members of the Union and all reproach and animosity leading to alienate one portion of the country from another. The beauty of our system of Government consists, and its safety and durability must consist, in avoiding mutual collisions and encroachments and in the regular, separate action of all, while each is revolving on its own distinct orbit.—The constitution has made it the duty of the President to take care that the laws be faithfully executed. In a government like ours in which all laws are passed by a majority of the Representatives of the people, and these representatives are chosen for such short periods that any injurious or obnoxious law can very soon be repealed, it would appear unlikely that any great numbers should be found ready to resist the execution of the laws; but it must be borne in mind that the country is extensive, that there may be local interests or prejudices rendering a law odious in one part which is not so in another, and that the thoughtless and inconsiderate, misled by their passions or their imaginations may be induced madly to resist such laws as they disapprove. Such persons should recollect that without law there can be no real practical liberty; that when law is trampled under foot tyranny rules, and whether it appears in the form of a military despotism, or of popular violence, the law is the only sure protection of the weak and the only efficient restraint upon the strong, when impartially and faithfully administered. None are beneath its protection and none above its control. You, gentlemen, and the country may be assured that, to the utmost of my ability and to the extent of the power vested in me, I shall at all times and in all places, take care that the laws be faithfully executed. In the discharge of this duty, solemnly imposed on me by the Constitution and my oath of office, I shall shrink from no responsibility and shall endeavor to meet events as they may arise, with firmness as well as with prudence and discretion.

The appointing power is one of the most delicate with which the Executive is invested; I regard it as a sacred trust to be exercised with the sole view of advancing the prosperity and happiness of the people. It shall be my effort to elevate the standard of official employment, by selecting for places of importance, individuals fitted for the post to which they are assigned, by their known integrity, talents and virtues. In so extensive a country, with so great a population, and where few persons appointed to offices can be known to the appointing power, mistakes will, sometimes, unavoidably happen, and unfortunate appointments be made, notwithstanding the greatest care. In such cases the power of removal may be properly exercised, and neglect of duty or malfeasance in office will no more be tolerated in individuals appointed by myself, than in those appointed by others.

I am happy in being able to say that no unfavorable change in our foreign relations has taken place since the message at the opening of the last session of Congress. We are at peace with all nations, and we enjoy, in an eminent degree, the blessings of that peace, in a prosperous and growing commerce, and in all the forms of amicable, national intercourse. The unexampled growth of the country, the present amount of its population, and its ample means of self-protection assure for it the respect of all nations, while it is trusted that its character for justice, and a regard to the rights of other States will cause that respect to be readily and cheerfully paid.

A convention was negotiated between the U. States and Great Britain in April last, for facilitating and protecting the construction of a ship canal between the Atlantic and Pacific oceans, and for other purposes. This instrument has since been ratified by the contracting parties. The exchange of ratifications has been effected, and proclamation thereof has been duly made.—In addition to the stipulations contained in this Convention, two other objects remain to be accomplished between the contracting powers: 1st. The designation and establishment of a free port at each end of the canal; 2d. An agreement, fixing the distance from the shore within which belligerent maritime operations shall not be carried on. On these points there is little doubt that the two powers will come to an understanding. The company of citizens of the United States, which has accepted from the State of Nicaragua the privilege of constructing a ship canal between the two Oceans, through the territory of that State, have made progress in their preliminary arrangements.

The treaty between the U. States and Great Britain, of the 19th of April last, above referred to, being now in operation, it is to be hoped that the guaranties which it offers, will be sufficient to secure the completion of the

work with all practicable expedition.—It is obvious that, as the result would be indefinitely postponed, if any other than peaceful measures, for the purpose of harmonizing conflicting claims to territory in that quarter should be adopted, it will consequently be my endeavor to cause any further negotiation on the part of this Government for this purpose, to be so construed as to bring them to a speedy and successful close.—Some unavoidable delay has occurred, arising from distance and the difficulty of intercourse between this Government and that of Nicaragua, but as intelligence has just been received of the appointment of an Envoy Extraordinary and Minister Plenipotentiary of that Government to reside at Washington, whose arrival may soon be expected, it is hoped that no further difficulty will be experienced in the prompt transaction of business between the Governments. Citizens of the United States have undertaken the connection of the two oceans by means of a railroad across the Isthmus of Tehuantepec, under grants of the Mexican Government to a citizen of that republic. It is understood a survey of the cost of the communication is in preparation, and there is every reason to expect that it will be prosecuted with characteristic energy, especially when that Government shall have consented to such stipulations with the Government of the United States as may be necessary to impart a feeling of security to those who may embark their property in the enterprise.—Negotiations are pending for the accomplishment of that object, and the hope is confidently entertained that when the Government of Mexico shall become duly sensible of the advantages, which that country cannot fail to derive from the works, and learn that the Government of the U. States desires that the right of sovereignty of Mexico in the Isthmus shall remain unimpaired, the stipulations referred to will be agreed to with alacrity.

By the last advices from Mexico it would appear, however, that that Government entertains strong objections to the stipulations, which the parties concerned in the railroad deemed necessary for their protection and security.—Further consideration, it is to be hoped, or some modification of terms, may yet reconcile the differences existing between the two Governments in this respect.

Fresh instructions have recently been given to the minister of the United States in Mexico who is prosecuting this subject with promptitude and ability.

Although the negotiations with Portugal for the payment of claims of citizens of the U. States, against that government, have not yet resulted in a formal treaty, yet a proposition made by the government of Portugal for a final adjustment and payment of those claims, has recently been accepted on the part of the United States. It gives me pleasure to say that Mr. Clay, to whom negotiations on the part of the U. States, had been entrusted, discharged the duties of his appointment with ability and discretion, acting always within the instructions of his government.

It is expected that a regular convention will be immediately negotiated for carrying the agreement of the two governments into effect.

The commissioner appointed under the act of Congress for carrying into effect the convention with Brazil, of the 27th January, 1849, has entered upon the performance of the duties imposed upon him by that act. It is hoped these duties may be completed within the time which it prescribed. The documents, however, which the Imperial government, by the third article of the convention, stipulates to furnish to the government of the United States, have not yet been received, and as it is presumed that those documents will be essential to the correct disposition of the claims, it may become necessary for the government to extend the period limited for the duration of the commission. The sum stipulated by the 4th article of the convention to be paid to this government has been received.

The collection in the ports of the U. States of discriminating duties upon the vessels of Chili and their cargoes, has been suspended, pursuant to the provisions of the act of Congress of the 24th May, 1828. It is to be hoped, that this measure will impart a fresh impulse to commerce between the two governments, which of late, and especially since our acquisition of California, has to the mutual advantage of the parties been much augmented.

Peruvian guano has become so desirable an article to the agricultural interests of the U. States, that it is the duty of the government, to employ all the means properly in its power, for the purpose of causing that article to be imported into the country at a reasonable price. Nothing will be omitted on my part, towards accomplishing this desirable end. I am persuaded that in removing any restraints on this traffic, the Peruvian government will promote its own best interests, while it will afford a proof of a friendly disposition towards this country, which will be duly appreciated.

The treaty between the United States and His Majesty, the King of the Hawaiian Islands, which has recently been made public, will, it is believed, have a beneficial effect upon the relations of the two countries.

The relations between those parts of the Island of St. Domingo, which were formerly colonies of Spain and France, respectively, are still in an unsettled condition. The proximity of that Island to the United States, and the deli-

cate questions involved in the existing controversy there, render it desirable that it should be permanently and speedily adjusted. The interests of humanity and general commerce demand this, and as intimations of the same sentiments have been received from other governments, it is hoped that some plan may soon be devised to effect the object in a manner likely to give satisfaction. The government of the United States will not fail by the exercise of all friendly offices, to do all in its power to put an end to the destructive war which has raged between the different parts of the Island, and to secure to them both the benefits of peace and commerce.

I refer you to the report of the Secretary of the Treasury for a detailed statement of the finances. The total receipts into the Treasury for the year ending 30th June last, were \$47,421,784 90. The total expenditures the same period, \$43,021,689.

The public debt has been reduced since the last annual report from the Treasury Department \$46,527,089.—By the 19th Section of the Act of 29th January, 1847, the proceeds of the sales of the Public Lands were pledged for the interest and principal of the public debt. The great amount of these lands, subsequently granted by Congress for military bounties, will, it is believed, very nearly supply the public demand for several years to come, and but little reliance can, therefore, be placed on that hitherto fruitful source of government revenue.

From the permanent annual expenditures which have, necessarily, largely increased, a portion of the Public debt, amounting to \$87,598,659, must be provided for within the next two fiscal years. It is most desirable that the accruing demands should be met without resorting to new loans.

All experience has demonstrated the wisdom and policy of raising a large portion of revenue for the support of Government from duties on goods imported. The power to lay these duties are unquestionable, and the chief object, of course, is to replenish the Treasury. But if, in time, an incidental advantage may be gained by encouraging the industry of our own citizens, it is our duty to avail ourselves of that advantage.

A duty laid upon an article which cannot be produced in the country such as tea and coffee adds to the cost of the article, and is chiefly or wholly paid by the consumer. But a duty laid upon an article which may be produced here, stimulates the industry of our country to produce the same article, which is brought into the market in competition with the foreign articles.—The importer is thus compelled to reduce the price at which the domestic articles can be sold, thereby throwing a part of the duty upon the producer and the customer at home. The consequence of this is that the artisan and agriculturists are brought together, each affords a ready market for the produce of the article. The whole country becomes prosperous, and the ability to produce every necessary of life render us independent in war as well as in peace.

A high tariff can never be permanent. It will cause dissatisfaction and will be changed. It excludes competition, and thereby invites the investment of capital in manufactures to such excess that when changed it brings distress, bankruptcy and ruin upon all who have been misled by its faithless protection. What the manufacturer wants is uniformity and permanency, that he may feel a confidence that he is not to be ruined by sudden changes. But to make a tariff uniform and permanent, it is not only proper that the law should not be altered, but the duty should not fluctuate. To effect this, all duties should be specified whenever the nature of the article is such as to admit of it. Advantages fluctuate with the price, and offer strong temptations to fraud and perjury. Specific duties, on the contrary, are equal and uniform in all parts and at all times, and offer a strong inducement to the importer to bring the best article, as he pays no more duty on that than an inferior article. I therefore, strongly recommend a modification of the present tariff, which has prostrated some of our most important and necessary manufactures; and that specific duties be imposed, sufficient to raise the requisite revenue, making such discrimination in favor of the industrial pursuits of our country as tend to encourage home production, without excluding foreign competition. It is, also, important that an unfortunate provision, in the present tariff, which imposes a much higher duty upon the raw material which enters into our manufactures than upon the manufactured article should be modified.

The papers accompanying the report of the Secretary of the Treasury, will disclose frauds attempted upon their revenue, in variety and amount so great as to justify the conclusion, that it is impossible, under any system of ad valorem duties levied upon the foreign cost or value of the article, to secure an honest observance and effectual administration of the laws. The fraudulent devices to evade the law which have been detected by the vigilance of the appraisers, leave us no room to doubt that similar impositions yet to be discovered to a large amount, have been successively practiced since the enactment of the law now enforced.—This state of things has already had a prejudicial influence upon those engaged in foreign commerce. It has a tendency to drive the honest trader from the business of importing, and to throw that important branch of employment,

into the hands of unscrupulous and dishonest men, who are alike, regardless of law and the obligations of an oath. By these means the plain intentions of Congress as expressed in the law, are daily defeated.

Every motive of policy and duty therefore, impels me to ask the earnest attention of Congress to this subject.—If Congress should deem it unwise to attempt any important changes in the system of levying duties at this season, it will become indispensable to the protection of the revenue, that such remedies as in the judgment of Congress may mitigate the evils complained of, should at once be applied.

As before stated specific duties would, in my opinion, be a remedy for this evil, but if you should not concur in this view, then, as a partial remedy, I beg leave respectfully to recommend, that instead of taking the invoice of the article abroad as a means of detecting its value here, the correctness of which invoice it is in many instances impossible to verify, the law be so changed as to require a home valuation, or appraisals, to be regulated in such manner as to give, as far as practicable, a uniformity in the several ports.

There being no mint in California, I am informed that the laborers in the mines are compelled to dispose of their gold dust at a large discount. This appears to me to be a large and heavy tax upon the labor of those employed in extracting this precious metal, and I doubt not you will be disposed at the earliest period possible to relieve them from it by the establishment of a mint. In the meantime, as an assayer's office is established here, I would respectfully submit to your consideration the propriety of authorizing gold bullion which has been assayed and stamped, to be received in payment of government dues. I cannot conceive that the Treasury would suffer any loss by such a provision; which will at once raise bullion to its par value, and thereby save, if I am rightly informed, many millions of dollars to the laborers which are now paid in brokerage, to convert this precious metal into available funds. This discount upon their hard earnings is a heavy tax and every effort should be made by the government to relieve them from this burden.

More than three fourths of our population are engaged in the cultivation of the soil. The commercial, manufacturing and navigation interests are all, to a great extent, dependent upon the agricultural.

It is therefore the most important interest of the nation, and has just claim for the fostering protection of the Government, so far as they can be extended consistently with the provisions of the Constitution. As this cannot be done by the ordinary modes of legislation, I respectfully recommend the establishment of an agricultural bureau, to be charged with the duty of giving to this leading branch of American industry, the encouragement which it so well deserves.

In view of the immense mineral resources of our country, provision should be made for the employment of a competent mineralogical chemist, who should be required, under the direction of the bureau, to collect specimens of the various minerals of our country, and to ascertain by careful analysis, their respective elements and their adaptation to useful purposes. He should also be required to examine and report upon the qualities of different soils and the manner best calculated to improve their productiveness, by publishing these experiments with suitable explanations, and by the collection and distribution of rare seeds and plants, with instructions as to the best system of cultivation. Much may be done to promote this great national interest.

In compliance with the act of Congress, passed on the 23d May, 1850, providing among other things for taking the 7th, census, a superintendent was appointed, and all other measures adopted which were deemed necessary to ensure the prompt and faithful performance of that duty. The appropriation already made, will, it is believed, be sufficient to defray the whole expenses of the work. But further legislation may be necessary in regard to the compensation of some of the marshals of the Territories.

It will also be proper, to make provisions by law, at an early date, for the publication of such abstracts of the returns, as the public interest may require.

The unprecedented growth of our Territories on the Pacific in wealth and population, and the consequent increase of their social and commercial relations with the Atlantic States, seems to render it the duty of the government, to use all the constitutional power, to improve the means of intercourse with them. The importance of opening a line of communication, the best and most expeditious, of which the nature of the country will admit between the valley of the Mississippi and Pacific, was brought to your notice by my predecessor in his annual message. And as the reasons which he presented in favor of the measure, still exist in full force, I beg leave to call your attention to them, and to repeat the recommendations there made by him.

The uncertainty which exists in regard to the validity of land titles in California, is a subject which demands your early consideration. Large bodies of land in that State are claimed under grants said to have been made by authority of Spanish and American Governments. Many of these have not been perfected, others have been revoked, and some are believed to be fraudulent; but until they shall have been judicially investigated, they will continue to regard the settle-

ment and improvement of the country. I, therefore, respectfully suggest that provision be made by law, for the appointment of commissioners, to examine all such claims, with a view to their final adjustment.

I also beg leave to call your attention to the propriety of extending, at an early day, your system of land laws, with such modifications as may be necessary, over the State of California and Territories of Utah and New Mexico. The mineral lands of California will, of course, form an exception to any general system which may be adopted. Various methods of disposing of them have been suggested. I was at first inclined to favor the system of leasing, as it seemed to promise the largest revenue to the government, and to afford the best security against monopolies; but further reflection, and my experience in leasing the lead mines and selling lands upon credit, have brought my mind to the conclusion that there would be great difficulty in collecting the rents, and that the relation of debtor and creditor between the citizen and government would be attended with many mischievous results; I therefore recommend that instead of retaining the mineral lands under the permanent control of the government; that they be divided into small parcels and sold at such time as will insure the best price and guard effectually against the combinations of capitalists to obtain monopolies.

The annexation of Texas and acquisition of California and New Mexico has given increased importance to our Indian relations. The various tribes brought under our jurisdiction by these enlargements of our boundaries, are estimated to embrace a population of 144,000.

Texas and New Mexico are surrounded by powerful tribes of Indians, who are a source of constant terror and annoyance to the inhabitants. Separating into small predatory bands, and always mounted, they overrun the country, devastating farms, destroying crops, murdering the inhabitants or carrying them into captivity. The great roads leading into the country, are infested by them, thereby travelling is rendered extremely dangerous and emigration almost entirely arrested.

The Mexican frontier, which, by the 11th article of the treaty of Guadalupe Hidalgo, we are bound to protect against the Indians within our borders, is exposed to their incursions equal with our own. The military force stationed in that country although forming a large portion of the army, is represented as entirely inadequate to our own protection, and the fulfillment of our treaty stipulations with Mexico. The principal deficiency is in cavalry, and I recommend that Congress at as early a period as possible, provide for the raising of one or more regiments of mounted men.

For further suggestions on this subject, and others connected with our domestic interests, in reference to our frontier, I refer you to the report of the Secretary of War.

I recommend also to your favorable consideration the suggestions contained in the last mentioned report, and in a letter of the General-in-Chief, relative to the establishment of an asylum for the relief of disabled and destitute soldiers. This subject appeals so strongly to your sympathy, that it would be superfluous in me to say anything more than barely to express my cordial approbation of the proposed object.

The Navy continues to give protection to our commerce and other national interests in the different quarters of the globe; and with the exception of a single steamer on the northern Lakes, the vessels in commission are distributed in six different squadrons.

The report of the head of that Department will exhibit the services of these squadrons and of the several vessels employed in each during the past year. It is a source of gratification that, while they have been constantly prepared for any hostile emergency, they have, everywhere, met with the respect and courtesy due as well to the dignity as the peaceful disposition and just purpose of the nation.

The two brigantines, accepted by the Government, from a generous citizen of New York, and placed under the command of an officer of the Navy, to proceed to the Arctic Seas in quest of the British Commander Sir John Franklin and his companions, in compliance with the Act of Congress approved May last, had, when last heard from, penetrated to a high northern latitude. But the success of this noble and humane enterprise is yet uncertain.

I invite your attention to the view of our present Naval establishment and resources, presented in the Report of the Secretary of the Navy, and the suggestions therein made for its improvement, together with the naval policy recommended for the security of our Pacific coast, and the protection and extension of our commerce with eastern Asia. Our facilities for a larger participation in the trade of the East, by means of our recent settlements on the shores of the Pacific, are too obvious to be overlooked or disregarded.

The questions in relation to rank in the army and navy, and relative rank between officers in the two branches of the service, presented to the Executive by certain resolutions of the House of Representatives at the last session of Congress, have been submitted to a Board of officers in each branch of the service, and their report may be expected at an early day.

I also earnestly recommend the enactment of a law authorizing officers of the navy and army to be retired from the service when incompetent for vigorous and active duties, taking care to make suitable provision for those who have faithfully served their country, and awarding distinctions, by retaining in commands those who have been particularly conspicuous for gallantry and good conduct. While the obligation of the country to maintain and honor those who, to the exclusion of other pursuits, have devoted themselves to its arduous service, is conceded this obligation should not be permitted to interfere with the efficacy of the service itself.

I am gratified at being able to state that the estimates for expenditures for the ensuing year are less by one million than those of the present, excepting the appropriation which may become necessary for the construction of the dock on the coast of the Pacific, propositions for which are now being considered, and on which a special report is expected early in your present session. There is an evident justice in the suggestion of the same report that appropriations for the naval service proper should be separated from those for fixed and permanent

objects, such as building docks and navy yards and the fixtures attached. These are extraordinary objects under the care of the department, which, however important are not essentially naval.

A revision of the code for the government of the navy seems to require the immediate consideration of Congress. Its system of crimes and punishments had undergone no change for half a century, until the last session, though its effects have been often and ably pointed out, and the abolition of the particular species of the corporal punishment which then took place, without providing any substitute, has left the service in a state of defectiveness which calls for prompt correction. I therefore recommend that the whole subject should be revised without delay, and such a system established for the enforcement of discipline as shall at once be humane and effectual.

The accompanying report of the Post Master General presents a satisfactory view of the operations and condition of that Department.

At the close of the last fiscal year the length of the inland mail routes in the United States, not embracing the service in Oregon and California, was 178,672 miles. The annual transportation thereon was 46,641,423 miles. The annual cost of such transportation of \$2,724,426. 58. The increase of the annual transportation over that of the preceding year was 3,997,354 miles, and the increase of cost was \$342,440 50. The number of post offices in the United States, on the first day of July last, was 38,427—being an increase of 1,670. During the preceding year, the gross revenues of the Department, for the fiscal year ending June 30, 1850, amounted to \$5,552,271 58, including the annual appropriation of \$20,000 for the franked matter of the Department and excluding the foreign postages collected for and payable to the British Government.

The expenditures for the same period were \$5,312,953 83, leaving a balance of revenue over expenditures of \$239,018 05.

I am happy to find that the fiscal condition of the Department is such as to justify the Post Master General, in recommending a reduction of our inland letter postage to three cents the single letter when pre-paid, or five cents when not pre-paid. He also recommends that the pre-paid rates shall be reduced whenever the revenue of the Department, after the reduction, shall exceed its expenditures by more than five per cent, for two consecutive years. That the postage upon California, and those letters sent by our Ocean steamers, shall be much reduced, and that the rates of postage on newspapers, pamphlets, periodicals and other printed matter, shall be modified, and some reduction thereon made.

It cannot be doubted that the proposed reduction will, for the present, diminish the revenues of the Department. It is believed, that the deficiency, after the already accumulated surplus shall be exhausted, may be almost fully met by abolishing the privilege of free matter through the mails, or by paying out from the Treasury to the Post Office, a sum equivalent to the postage of which it will be deprived by its privileges; the last is supposed to be the preferable mode, and will, if not entirely, so nearly supply its deficiency, as to make any further appropriation unnecessary. It may be found so inconceivable, as to form no obstacle to the proposed reduction.

I entertain no doubt of the authority of Congress to make appropriations for leading objects in that class of public works called by the general name of internal improvements. This authority, I suppose, to be derived chiefly from the power of regulating commerce with foreign nations and among the States, and the power of laying and collecting imposts. When commerce is to be carried on, and imposts collected, there must be ports and harbors, as well as wharves and custom houses. And if ships laden with valuable cargoes approach the shore, or sail along the coast, light houses are necessary at suitable points, for the protection of life and property. Other facilities and securities for commerce and navigation are less important, and those clauses of the constitution, therefore, to which I have referred, have received from the origin of the Government a liberal and beneficial construction.—Not only have light houses, booms, and breakwaters been established and floating light maintained, but harbors have been cleared and improved, and piers constructed, and even breakwaters for the safety of shipping, but sea walls to prevent harbors from being filled up and rendered useless by the action of the ocean, have been erected at great expense. And this construction of the constitution appears the more warrantable from the consideration that if these works of such evident importance and utility are not to be accomplished by Congress, they cannot be accomplished at all. By the adoption of the constitution the several States voluntarily parted with the power of collecting duties on imports within their own ports, and it is not to be expected that they should raise money by internal taxation, direct or indirect, for the benefit of that commerce, the revenues from which do not, either in whole or in part, go into the treasury. Nor do I perceive any difference between the power of Congress to make appropriations for objects of this kind on the ocean, and the power to make appropriations for similar objects on lakes and rivers, whenever they are large enough to bear on their waters an extensive traffic.

The magnificent Mississippi and its tributaries, and the vast lakes of the North and the North-west, appear to me to fall within the exercise of the power, as justly and as clearly as the ocean and the Gulf of Mexico. It is a mistake to regard expenditures judiciously made for these objects, as expenditures for local purposes.

The position, or site of the work, is necessarily local, but its utility is general. A ship canal around the Falls of St. Mary, of less than a mile in length, though local in its construction, yet is national in its purposes and its benefits, as it would remove the only obstruction to the navigation of more than a thousand miles, and affecting several States as well as our commercial relations with Canada. So too the Breakwater, at the mouth of the Delaware is erected, not for the exclusive benefit of the State bordering on the bay and river of that name, but of the whole coastwise navigation of the United States, and to a considerable extent also of foreign commerce. If a ship be lost on the bar at the entrance of a southern port, for want of sufficient depth of water, it is very likely to be a northern ship; and if a steam-